

UTILITIES SERVICE BOARD MEETING

November 17, 2003

UTILITIES SERVICE BOARD MEETINGS ARE RECORDED ELECTRONICALLY OR STENOGRAPHICALLY AND ARE AVAILABLE DURING REGULAR BUSINESS HOURS IN THE OFFICE OF THE DIRECTOR OF UTILITIES.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:00 p.m.

Board members present: Tom Swafford, Jeff Ehman, Jeff White, Sam Vaught, Tim Henke, Dick Eherenman, and ex-officio members Tim Mayer and Tom Micuda. Staff members present: Mike Phillips, Margaret Dalle-Ave, Jonathan Heald, Mike Hicks, Rick Schroeder, Nathan Schulte, Vickie Renfrow, Mike Butcher, and Julie Martindale. Also present: Hank Hewetson representing Indiana University.

ROLL CALL:

6 members present.

MINUTES:

EHERENMAN MOVED AND VAUGHT SECONDED THE MOTION TO APPROVE THE MINUTES OF THE NOVEMBER 3, 2003, UTILITIES SERVICE BOARD MEETING AS PRESENTED. MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (MURPHY).

Board member Murphy arrived at the meeting at this time.

CLAIMS:

VAUGHT MOVED AND EHERENMAN SECONDED THE MOTION TO APPROVE THE CLAIMS AS FOLLOWS:

CLAIMS 0391807 THROUGH 0391819 INCLUDING \$100,364.65 FROM THE WATER OPERATIONS & MAINTENANCE FUND FOR A TOTAL OF \$100,364.65 FROM THE WATER UTILITY; CLAIMS 0331156 THROUGH 0331166 INCLUDING \$60,078.77 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND AND \$84,128.21 FROM THE WASTEWATER CONSTRUCTION FUND FOR A TOTAL OF \$144,206.98 FROM THE FROM THE WASTEWATER UTILITY; AND CLAIM 0391812 INCLUDING \$498.01 FROM THE WASTEWATER/STORMWATER FUND FOR A TOTAL OF \$498.01 FROM THE WASTEWATER/STORMWATER UTILITY. TOTAL CLAIMS APPROVED - \$245,069.64 MOTION CARRIED. 7 AYES.

Board President Swafford requested an update report on the wet weather management program.

Mike Phillips –

Utilities Director Phillips informed Board members that he met with Mayor Elect Mark Kruzan last week and was informed that Mayor Kruzan will be appointing a new management team to serve during his administration. Therefore, effective January 1, 2004, Mike Phillips will no longer be Director of the Utilities Department. Mr. Phillips stated that he had enjoyed working at Utilities over the past 31 years. He feels that the Utilities Department has an excellent staff, and he wishes everyone well. Board members expressed regret at this announcement. Board member Vaught stated that he has thoroughly enjoyed working with Mr. Phillips and feels that the Utilities Department will suffer a great loss in his absence.

Jonathan Heald –

Assistant Engineer Heald reported that he resigned to take the position of Manager of the Wastewater/Stormwater Utility for the city of Greenville, South Carolina. Mr. Heald stated he has enjoyed his time at the Utilities Department and wishes everyone good luck in the future. Board members stated they wish Mr. Heald well and feel he has been an excellent employee.

CBU HOLIDAY LUNCHEON:

HENKE MOVED AND WHITE SECONDED THE MOTION TO APPROVE THE DONATION OF \$350.00 TO PAY FOR MEAT FOR THE HOLIDAY LUNCHEON FOR THE EMPLOYEES OF THE UTILITIES DEPARTMENT. MOTION CARRIED. 7 AYES.

AMENDMENT OF WASTEWATER BOND ORDINANCE:

Assistant City Attorney Renfrow presented Board members with a memo regarding, and a copy of, Ordinance 03-34. Ms. Renfrow explained that this is being taken to the Common Council in order to amend Ordinance No. 00-35 which was adopted in September 2000 and authorized the sale of \$32,000,000.00 in wastewater revenue bonds (as well as "bond anticipation notes" or "BANs") to fund wastewater and stormwater projects listed in the "Project Description" attached to Ordinance No. 00-35. Ms. Renfrow further explained that the terms under which bonds and notes can be sold must be modified to allow for the sale of taxable notes or bonds and variable rate notes (bonds must be fixed rate) because the Utilities Department is not allowed to sell tax-exempt debt for projects already completed. It is necessary to have the option of selling variable rate taxable notes (five year maximum term) in order to keep the financing cost to a minimum. Bond counsel and the City of Bloomington Controller, Tom Guevara, believe that this is the best way to handle this matter.

After careful consideration among Board members, the following motion was presented:

WHITE MOVED AND HENKE SECONDED THE MOTION TO RECOMMEND TO THE CITY OF BLOOMINGTON COMMON COUNCIL THAT THIS ORDINANCE BE PASSED

SUBJECT TO UTILITIES SERVICE BOARD MEMBERS CONSULTING WITH BOTH THE BOND COUNSEL AND THE CITY OF BLOOMINGTON CONTROLLER GUEVARA. MOTION CARRIED. 7 AYES.

RESOLUTION TO REQUIRE SEWER CONNECTION DUE TO FAILING SEPTIC SYSTEM:

Assistant City Attorney Renfrow presented Board members with a copy of a Resolution granting the owner of property at 603 South Adams Street in Bloomington one year from the date of this resolution to connect to the sanitary sewer main. (A copy of the Resolution is attached to the minutes.) After considerable discussion the following motion was presented:

HERENMAN MOVED AND MURPHY SECONDED THE MOTION TO TABLE ACTION ON THIS RESOLUTION UNTIL DECEMBER 1, 2003, AT WHICH TIME IT IS REQUESTED THAT THE PETITIONER BE PRESENT TO DISCUSS THIS MATTER. MOTION CARRIED. 7 AYES.

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

Board member Vaught stated that the Finance Subcommittee met on November 7th to discuss the following items:

Collection Service Contract
State Board of Accounts Audit for Water & Wastewater Utilities for 2002

The Subcommittee recommends that a contract be signed with IEI Financial Services for collection of delinquent accounts owed through the year 2000. Purchasing Manager Martindale will present this item to the Board for approval at a future meeting.

The Subcommittee reviewed the State Board of Accounts audit reports for the year 2002. Subcommittee members expressed particular concerns over the negative cash position and the subsequent violation of bond covenants. The members stated displeasure with these circumstances and gave specific direction to staff members to take whatever measures were needed to insure that this will not happen again. Utilities Director Phillips stressed that staff members were taking steps to insure better internal control.

STAFF REPORTS:

Mike Hicks -

Plant Manager-Capital Projects Hicks informed Board members a bid opening was held on November 12, 2003, at 1:00 p.m. for the Monroe Low Service Pumping Station Improvements, project #W00-2424. Three companies submitted bids (Bowen Engineering Corporation, Reynolds Inc., and Mitchell & Stark Construction). All bids were below the engineer's estimates. More information will be provided at the December 1, 2003, meeting re. this project.

Mike Phillips -

Utilities Director Phillips stated that a meeting was held for interested parties to discuss online customer services. A report on this will be presented at the December 1, 2003, meeting.

Margaret Dalle-Ave -

Assistant Director Dalle-Ave presented Board members with copies of the September 2003 financial statements for both utilities. (A copy of each statement is attached to the minutes.)

ADJOURNMENT:

The meeting was adjourned at 6:01 p.m.

L. Thomas Swafford, President